



E-BUSINESS STRATEGIC PLAN

Submitted by the e-Business Implementation Team (eBIT)

Mike Boone, Team Leader	Phyllis Makuck, Facilitator
Barbara Bostian, EPMO	Tracy Doaks, IT Resource
Jerry Coble	Roger Goodwin, Security Resource
Elizabeth Colcord	Rebecca Mudd
Wanda Henderson	Marshall Reid
Willie Hucks	Ray Sanderson
Cindy Mallard	Dot Wiggins
	Alice Worsley

March 28, 2006



E-BUSINESS STRATEGIC PLAN

TABLE OF CONTENTS

Introduction	3
Plan	
Vision	6
Mission	6
Values	6
Goals	6
Customer-focused Strategies	7
Internal Strategies	10
Mitigation Strategies	12
Implications for Internal Change	13
Scenarios	
Customer Scenario	16
DOR Employee Scenario	19
Appendices	
Appendix A: Design Criteria and Doing Business in 2010	
Appendix B: Strategies with Concept Details	
Appendix C: Strengths, Weaknesses, Opportunities, and Threats (SWOT)	
Appendix D: Summary of Private-Sector e-Businesses	
Appendix E: Summary of State Revenue Agency Sources	
Appendix F: Survey and Focus Group Information	
List of Sources	

E-BUSINESS STRATEGIC PLAN

Introduction



North Carolina Department of Revenue

Michael F. Easley
Governor

E. Norris Tolson
Secretary

Memorandum

To: All NCDOR Employees

From: E. Norris Tolson, Secretary of Revenue *E. Norris Tolson*

Date: October 27, 2005

Subject: Vision 2010/e-Business

Over the last year the Department of Revenue has embarked on a new way of doing business that we call Vision 2010. We have released the roadmap plan and have held a series of employee "fireside chats." A number of action teams have begun to work on implementing key initiatives within the 2010 framework. In a very short time, the Department has made great strides towards building a model agency that will provide better service and results for the citizens of North Carolina.

As we continue with our implementation of Vision 2010, it is important that we continue to examine the external environment in which the agency operates. The issue that I believe will have the largest impact on business as a whole, including the business of our agency, is the expansion of e-Business. E-Business is radically transforming the business world in many ways. Successful organizations will need to adapt to the realities and requirements of e-Business to be successful in the next decade. **Therefore, our business will be e-Business.**

By 2002 the computer industry had produced just over 1 billion PCs. These devices have changed just about everything regarding the way we work and live. Just as telephones became commonplace in our homes over 60 years ago, computers are just as common in our offices and homes today. We have become reliant on computers to make us more



efficient, improve business processes, and store millions of bytes of data. Computers, if anything, will grow in importance to us. However, the computers and how we use them in the coming years will be different than in the past.

Over the last decade, the Internet, along with the growing use of computers, has opened up many new opportunities for business. The Internet allows us to access information in ways that not long ago would have been unimaginable. The Internet makes our world “smaller” and, in the process, gives businesses the chance to offer better services to key constituencies. By 2010, colleges all over the world will graduate classes of students who have never lived in a world without the Internet. For these people, use of the Internet is just as natural as how many of us think of using the telephone or watching television. The Internet is simply becoming an integral part of our lives.

The growing trend is for organizations to rely more and more on the Internet as a primary business tool because of its flexibility and effectiveness. Here at the Department of Revenue we have developed a website that has served the citizens of North Carolina well for the past few years. The agency’s website has allowed us to improve our communications with the people of North Carolina. However, in our Vision 2010 journey, we must go further than just communicating over the Internet via static information pages. Until now, most organizations, including DOR, have been content to simply recreate the “paper” world in the “virtual” world of the Internet. Vision 2010 compels us to go further.

E-Business will be the foundation on which we build the Department of Revenue in the 21st Century. Let me explain what I mean by “e-Business.” We should seek to build a “virtual office” to allow taxpayers to do all the business they need to do with us electronically, anytime and anyplace. E-Business will leverage the power of mobile computing devices and wireless networks to put our agency within a taxpayer’s reach in just a few moments. E-Business will take advantage of expanding broadband speeds to allow access to more information and the completion of business transactions in a “flash.” E-Business will incorporate “smarter” tools to allow taxpayers to search our website to find what they need in a faster and more logical way. And, we will redesign our Internet site to give it a more up-to-date “look” and will use plain language analysis to simplify the information we give to taxpayers.

E-Business will not benefit just those outside of the Department of Revenue. E-Business will change what we do and how we do it inside the agency. We plan to embark upon an effort to build a data warehouse and data mining tools that will put powerful analytical tools in the hands of our agency to improve compliance with the revenue laws. E-Business will help us collaborate across distances and share information in more effective ways.

E-Business is not necessarily a revolutionary approach, but to accomplish this transformation we will take revolutionary steps. Transitioning to e-Business will not be easy or painless. We will have to focus our efforts to maximize the use of our business



and technical resources. The agency will eventually face organizational changes due to its focus on e-Business. The agency will have to be patient as it contends with the “growing pains” brought on by this transition. But, with the right focus and energy, e-Business will be a tremendous and beneficial change for the Department and the citizens of North Carolina.

I have directed agency executive management to begin setting the strategic framework for this effort. E-business will require a strong strategic focus as we seek to blend a variety of initiatives and planning into a coherent e-Business strategy under Vision 2010. This strategic framework will be rolled out to the agency soon. But, the strategy will only move us so far. The most important factors in this effort, as is with Vision 2010 as a whole, are the passion, imagination, and energy of the entire agency. The Internet is a wonderful tool and E-Business is a great strategic focus, but without bold imagination and vigorous implementation from the whole agency, we cannot succeed in reaching our goals. We must move forward together, embracing this strategy, and never failing to envision how we can use e-Business to help us better serve North Carolina.



Vision

Enable taxpayers and employees to conduct all Department of Revenue business electronically at any time.

- Offer services customers want.
- Provide secure, user-friendly electronic systems.
- Promote a high-level of public trust.
- Simplify tax compliance.
- Deliver self-help and self-access to account information that meet taxpayer needs.
- Provide progressive levels of real-time assistance electronically.
- Continuously benefit from technological innovations.
- Continuously improve business processes—manual and electronic processes.
- Work collaboratively internally with the benefit of well-integrated systems.
- Work effectively with public and private partners.
- Have an appropriate organizational structure and leadership for operating a successful e-Business.

Mission

To administer the tax laws and collect the taxes due the state in an impartial, uniform, and efficient manner.

Values

Employee Involvement
Customer Service
Integrity

Education
Productivity
Accountability

Goals

1. Maximize tax compliance and State tax revenue.
2. Improve constituent services.
3. Improve agency efficiency and effectiveness.
4. Maximize public trust.

E-Business Strategies

Strategies 1-15 reflect information gathered from a wide variety of external and internal sources (see Appendices D-F and the “List of Sources” at the end of this document). The paragraphs under strategies provide a concept of strategy and are not intended to be inclusive or to suggest priorities. Details may change during development stages.

Customer-focused Strategies

1. Enable authenticated users to manage tax accounts electronically, and make the process as easy as possible.

Authenticated users can view their account history and current activity, obtain copies of financial records and of documents they filed, perform basic account maintenance functions, link to all filing and payment applications, and conduct a variety of account-specific transactions—for example, request and receive a penalty waiver and set up payment plans. They can opt for a display of tailored functions based on prior activity and choose to receive e-notifications related to their accounts. Employers can set up and manage secure wage garnishment accounts, view garnishment account history and balances, and link to e-pay applications. A third party can be authorized as Power of Attorney for managing taxpayer accounts.

2. Provide secure electronic communications and assistance for taxpayers.

Taxpayers can communicate directly with the agency electronically and receive e-responses. They can request e-alerts and receive e-notifications containing direct links to newly posted content on our website. Authenticated users can opt to receive account-specific information electronically. A Q&A feature on our website provides links to FAQ's, which are updated regularly based on taxpayers' questions. Live taxpayer assistance is also available through our website.

3. Expand e-pay and e-file services to include all schedules and forms, and promote ease of use.

We continue to expand our e-pay and e-file services through a variety of vehicles—e.g., DOR applications, Fed-State initiatives, and vendor applications. Users can register a business and receive an account number in real-time electronically. To promote ease of use, taxpayers can upload data to our applications using a common format such as

Excel, recurring information is stored for populating lines, and optional tips are available for completing forms. We review existing applications and make necessary adjustments for consistency, for ease of use, and to ensure we are not excluding potential users. New and enhanced applications and authentication mechanisms enable employees to use applications on behalf of taxpayers.

4. Promote the transition to e-Business and make customers aware of e-services designed for them through aggressive marketing and education.

We segment our customer base and develop marketing and educational materials accordingly. We design e-services to make them as easy as possible to use and tailor information for specific types of taxpayers. Our homepage features new e-products and services. Kiosks in all DOR offices provide public access to computers. A section of our website is dedicated to the Hispanic Community. We strive to reduce or eliminate costs associated with e-filing. We consider mandates and incentives to encourage the transition to e-Business.

5. Enhance e-services for Internet users who want to obtain forms and fill them out online.

We improve forms and instructions to make it as easy as possible for taxpayers to file correctly. All the Department's forms are available on our website. The forms page lists forms by task as well as by form name or number and features most commonly used forms. We design key forms as web fill-ins so taxpayers can fill them in online and can benefit from tools that automatically calculate totals and populate information to applicable lines. Taxpayers can easily print and save web fill-in forms. A fixed format allows forms to print in a standard way, so we have fewer scanning problems.

6. Enhance educational services through the web.

Tutorials are designed to assist specific types of taxpayers. Optional video demos or flash-demos accompany new applications and are available for new users of existing applications. Web-casts/pod-casts cover emerging issues. Our website includes a general education section on taxation that could be incorporated in a high-school curriculum.

7. Collaborate with public and private sectors to provide products and services designed for small businesses, using a variety of delivery methods.

A section of our website is dedicated to small-businesses. Optional tutorials provide helpful information for business start-ups. E-tools make it as easy as possible to register, file, and pay online. In-person and online workshops are offered for new businesses and for existing businesses. Educational material is designed for specific types of businesses and distributed in electronic and non-electronic formats. In partnership with other agencies, we identify requirements for permits, licenses, employment, and taxes.

8. Pursue joint ventures, engaging partners early in the process to learn from them and to build solutions that exceed customer expectations.

We maintain current partnerships and actively pursue new partnerships to provide e-services and share information. Participation in Fed-state programs enhances our e-services and helps us save on development costs. We promote NC Gov joint ventures that make doing business with the state as easy and as transparent as possible. In partnership with schools, we make education on taxation available. Through user boards, practitioner groups, and contacts with other state agencies, we determine specific e-business needs and explore joint-venture opportunities.

9. Maintain traditional as well as e-Business service delivery methods.

We offer information, education, and assistance using electronic and non-electronic delivery methods and continue to support paper systems as necessary. Our offices continue to offer in-person services and feature kiosks with computers for taxpayers to access our web services. We integrate service delivery management with customer relation management to ensure consistency of message no matter how taxpayers are receiving products and services.

10. Continuously improve our website (including design, navigation, and search functions) to make it more user-friendly based on customer input.

When redesigning our website, we use state-of-the-art tools and continually listen to and act on customer feedback. We update our

homepage, incorporating graphics that are visually appealing and functional. Within portals, information is current, engaging, and relevant from the users' perspective. We offer links/e-translators for non-English speaking populations, and our site meets American Disabilities Act standards. We support competing platforms (Mac, PC, etc.). Navigation is intuitive, aided by features such as an alphabetized site map. Fast, easy-to-use, and reliable search tools provide comprehensive results not only from information on our website but also from stored electronic records and from information on other State websites based on established partnerships.

11. Enhance the IVR, adding tax account management and online filing and payment functions as practical within the limits of telephone transactions.

Additions to the IVR are limited to functions requiring minimal data input. For example, in addition to current functions, taxpayers are able to use the IVR to report no-tax due for Sales and Use Tax and for Withholding Tax, view an account balance, and close a business account.

Internal Strategies

12. With strong leadership support, reengineer business processes and ensure an appropriate organizational structure.

Department-wide business process reengineering (BPR) is essential for successful implementation of the e-Business Strategic Plan. BPR will be a component of every e-Business project and include all processes related to the implementation of new e-functions. In addition, all business and support divisions redesign processes to reduce manual work and expand automation. To make e-Business development efforts as efficient as possible, we streamline the SR process and implement a refined collaborative process for application development that focuses on business requirements. A review of existing and proposed policies ensures that they enable and support e-Business. Modifications in organizational structure occur in accord with our e-Business strategies and as a result of BPR efforts.

13. Enhance knowledge management capabilities.

A knowledge management (KM) approach includes web portals and content management tools, document repositories, search engines, data warehouse and business intelligence tools, case management and expert

systems (case-based reasoning), workflow systems, collaboration and groupware systems, natural language query processing systems, and image handling systems. KM enables employees to share information that assists in providing services and facilitates organizational learning. Employees can sort, match, and mine data for segmentation and other business-intelligence gathering purposes. They can flexibly handle and track cases throughout their lifecycle, using a variety of workflow capabilities. Employees have the ability to perform all business functions securely and remotely.

14. Expand online support services for employees.

Employees can electronically complete all “paperwork” for human resources and payroll. They can request and receive training online as well as track the training they have taken. They can request and receive Help Desk assistance electronically. Service Requests, e-DORSA’s, 1305’s, and internal job applications are all automated. The Intranet provides more information and makes information more accessible.

15. Use a collaborative process to upgrade and integrate systems.

Core DOR business systems integrate seamlessly with one another, communicate appropriately with all other business systems, and incorporate data as required from all database and transactional systems in use. Business systems support and enable web and IVR systems. An authentication system meets internal and external requirements for security and ease of use. A Customer Relations Management system is integrated with Case Management to manage e-Business workflow and a variety of service delivery channels. We enhance/upgrade all our systems and how we use them. Security safeguards are built into all new e-Business applications. An expanded technology support infrastructure enables e-Business.

Mitigation Strategies

An often overlooked part of the strategic planning process is thinking about the forces that work against successfully implementing a plan. Typically, there is some level of preparation necessary in order to fully take advantage of the opportunities that exist. EBIT not only examined external opportunities but also identified internal strengths and weaknesses and assessed external threats—all in relation to opportunities. An important next step is to develop implementation plans around mitigation strategies. Many existing internal resources and teams such as the Improvement Board, for example, may assist with some of these implementation plans.

The following mitigation strategies are recommended:

16. Develop a comprehensive e-Business budget and a plan for acquiring necessary funding.
17. Identify legislative e-Business issues and develop a plan for communicating needs to the General Assembly beginning with the 2007-2009 Biennium Budget.
18. Maintain and leverage our individual and committee relationships to influence the direction of ITS strategies.
19. Develop a plan for expanding IT and Security infrastructure to support e-Business strategy and include funding plan for hardware, software, training, and consultants.
20. Continually maintain and update the network systems security and incident management plan.
21. To retain valuable employee talent, evaluate market forces and develop a retention plan, which includes funding.
22. Promote mechanisms for developing employees and identifying individuals with innovative ideas to enlarge the resource base for innovation and encourage fresh ideas.
23. Develop a change management plan that includes communication, education, and training to prepare employees for working in an environment shaped by our e-Business strategy.
24. Review Service Requests in light of e-Business Strategic Plan, identify gaps, and make necessary adjustments—additions and deletions.
25. With a change in administration, develop a presentation of the strategic plan that makes a compelling, well-defined business case for our e-Business strategy.

Implications for Internal Change

The e-Business Strategic Plan, if fully implemented, will dramatically transform the Department of Revenue. It will guide future development and growth and provide the vehicle for significant improvements in operations for the foreseeable future. It will allow us to meet internal and external customer needs and exceed expectations.

The overall strategy the Plan defines suggests an open and flexible architecture that will allow our business systems to grow and change as our needs change. By following this strategy—enabled by enhanced, integrated systems; open, scalable designs; and bold executive leadership, our agency will become a national leader. This vision comes with enormous implications. Straightforwardly considering these implications sets the tone for steering the agency towards building the strongest, most compelling business case for implementing the strategy and furthers the potential for the Department to achieve the desired transformational benefits.

No one starts out on the path of deliberately failing to fulfill the hopes expressed in a strategic plan. Those hopes become dashed by failing to fully and realistically take into consideration the implications and by not exercising the discipline to follow the plan. Challenges (both real and phantom) that can cause an agency to change course will always emerge; however, having a comprehensive strategy like this one, serves as a guidepost for delivering transformational business value. Specific implications include the need for—

- Major commitment from executive leadership due to the broad-based and department-wide scope of the strategy.
- Significant change-management efforts to develop organizational readiness through communication and training.
- Promotion of an aggressive, forward-leaning legislative agenda to pave the way for a new orientation around e-Business.
- Significant and department-wide business process reengineering that takes into account enabling technologies, which will—
 - ❑ Increase capabilities.
 - ❑ Increase self-help.
 - ❑ Increase electronic transactions and assistance.
 - ❑ Increase flexibility.
 - ❑ Decrease manual processes.
- A robust technical architecture that allows massive amounts of data to be stored then retrieved anywhere in the agency.
- A hardened security environment that permits currently unimaginable access to data by internal and external users – 24/7.
- The ability to add on secure interfaces to expanded external sources.
- The need for additional third-party data sources that propel our business intelligence capabilities and dramatically augment our compliance programs.

- A robust, secure, and dependable electronic filing and payment structure that allows for all types of data/file transmissions regardless of size, at any time.
- Video, network, and telephony communications that allow access to all locations throughout the State, thus making time and distance irrelevant. (This means all users have real-time access to all new capabilities at their fingertips, regardless of geographical location.)
- Service centers that have access to new workflow processes and electronic payment and filing applications. (There would be no need for courier mail, daily reports, etc.)
- Portable and wireless tools for field agents that are fully integrated with DOR systems.
- Development of a Customer Relationship Management (CRM) solution that revolutionizes service delivery by—
 - ❑ Allowing us to track a customer through a number of interactions regardless of channel.
 - ❑ Enabling the development of collaborative services.
 - ❑ Putting systems in place at all customer interaction points.
 - ❑ Combining data to provide a single customer view.
 - ❑ Providing a consistent level of service across channels.
- Enhanced Workflow/Case Management Tools that allow users to—
 - ❑ Easily view cases and actions. Also view open cases/actions for the entire organization or by location/division, individual responsible, etc.
 - ❑ Search historical case records.
 - ❑ Group or link multiple cases into parent/child relationships.
 - ❑ Create business rules to automatically assign cases and notify the assignee or manually assign cases and notify the assignee.
 - ❑ Set task or action due dates with reminders.
 - ❑ Record investigation notes.
 - ❑ Create actions and assign them to other individuals with due dates and reminders.
 - ❑ Create and send emails from within a case record.
 - ❑ Track time and cost.
 - ❑ Keep clear audit trail or history of actions on a case.
 - ❑ Attach documents of any kind.
- The computerized management of electronic as well as paper-based documents—i.e., a document management system that converts paper documents into digital format. Electronic documents, once stored in the document management system are accessible from one's computer, allowing employees to retrieve, e-mail, fax, and print without ever leaving their desks. These systems generally include:
 - ❑ An optical scanner and OCR system to convert paper documents into an electronic form.
 - ❑ A database system to organize stored documents.
 - ❑ A search mechanism to find specific documents.



Looking at the possibilities enabled by this comprehensive strategy allows the reader to envision a bold and dynamic new future for our agency—a future in which Vision 2010 is realized: *“The North Carolina Department of Revenue is a national model for revenue agencies, relying on best practices, and with technology as an enabler, continuously finds innovative ways to increase efficiency and productivity in all areas of Departmental operations and tax administration.”*

Scenarios

Customer Scenario

Scene I: Orientation. It's August 2007. Luisa Sanchez, a recent graduate of the University of Arizona, has taken a job teaching Creative Writing at East Carolina University. During a desktop e-orientation for new professors, she completes an NC-4, submits it electronically to ECU Human Resources, and goes on to read a brief section on NC taxes, which contains a recommendation that new residents go to www.dornc.com to familiarize themselves with North Carolina's tax laws and e-services. She clicks on the link and is pleasantly surprised with the visual appeal of the homepage and the "How can we help you?" welcome. She has to leave for a faculty meeting so exits her office with the intention of returning to the site later.

Scene II: Education on NC Taxes. That evening at 7:00, Luisa opens her laptop at a carrel in the library where she wirelessly accesses a broadband connection and goes to www.dornc.com. She types in "overview of nc taxes" and decides to watch what is labeled a "3-minute Video Overview of NC Taxes."

The overview makes her realize that, as a writer, she needs more information about Sales and Use taxes and about paying NC Estimated Individual Income Tax. From the Sales and Use Tax "[More Information](#)" menu," she selects "Writers and Artists." A colleague from the English Department interrupts her. She decides to download a pod-cast to her i-Pod so she can listen to it in the car on the way home that evening.

Scene III: Business Registration. It's 8:00 p.m. when Luisa arrives at her apartment. Having learned from the pod cast that she needs to set up a Sales and Use Tax Account, she starts up her laptop, slips in a wireless card, and following the advice from the pod-cast, goes to the www.dornc.com Business Portal. Clicking on the "Small Business" icon, she sees "[Wizard for Business Registration](#)," clicks and proceeds to answer questions about her small business—namely, writing and selling her own books from an inventory she keeps at home. She's pleasantly surprised that in a little over five minutes she has answered all the interview questions and the Wizard has completed a "Sales and Use Tax Account Registration Form" based on her responses. She reviews the data, agrees to have her account number sent to her e-mail address, and opts to be an e-filer instead of receiving paper forms.

A prompt pops-up: "[As a sole proprietor of a small business, you may have to pay NC estimated taxes on your earnings.](#)" She clicks on the link. After answering a few questions, she sees that she will not have to pay NC Estimated Individual Income Taxes this year but thinks she probably will next year.

Before exiting the Small Business Portal, Luisa notices a "Habla Usted español?" link, and thinks that she will check it out later for her cousin Juan from Nogales, who wants to expand his fruit distribution business into North Carolina.

Before shutting down, she checks her e-mail, and indeed the confirmation of her registration with her account number is there together with a “Calendar for Quarterly Sales and Use Taxpayers.” The first due date for filing is highlighted. After saving a copy to her hard-drive, she closes her laptop, smiling.

Scene IV: Authentication and e-Filing. It’s October 28, 2007. Luisa Sanchez has received an e-mail from NC DOR reminding her that the first Sales and Use Tax filing date is approaching. The e-mail encourages her to e-file. She goes to www.dornc.com, clicks on e-file, and selects “Sales and Use Tax” from the menu. She clicks on “New User” and sees the question: “Before filing, do you want to set up a secure account that you can self manage?” She indicates, “Yes.” An “Authentication” screen pops up. Luisa supplies some personal information, a user name and password of her choice. A screen welcomes her as an authenticated user.

Luisa sees her name, account number, and address populated on the Sales and Use Tax e-file screen; it’s information the Wizard had entered on her registration form. As she moves the cursor over the first blank line asking for sales tax information, she receives a pop-up that says “Double click if you need help completing this form?” She double clicks, and for each line, receives clear instructions for what she must enter. When she arrives at the county tax line, she goes beyond the first pop-up help screen to get “More information.” Another pop-up asks if all her sales were in Pitt County. She clicks to indicate “yes,” and her response populates the appropriate county tax line. She sees all tax totals have been calculated and entered. She confirms the entries and decides to pay by bank draft. A message tells her to check her e-mail for filing and payment confirmations.

Before shutting down, she checks her e-mail, sees the confirmations, saves them, and notes that she has also received a new “Calendar for Quarterly Sales and Use Taxpayers” with the next due date highlighted. She also has an e-mail from Juan telling her that, from Nogales, he has used the NC DOR Hispanic link to set up Sales and Use and Withholding accounts. He is in the process of hiring local reps in Greenville to be his NC distributors and is looking forward to visiting her there soon.

Scene V: Account Maintenance. It’s December 1, 2007. Luisa has bought a home. She goes to www.dornc.com and clicks on “Authenticated User.” After entering her user name and password, she sees “Welcome, Ms. Sanchez. What would you like to do today?” She types: “change my address.” She sees “For what account?” with a prompt that highlights “Sales and Use.” She clicks on “Sales and Use” and sees her name and account number. Her apartment address is highlighted. She types in her new address, verifies it is correct, then sees: “What else would you like to do today?” She clicks “No further business.”

Scene VI: New Resident Individual Income Tax Education. It's February 15, 2008. Luisa is thinking about her Individual Income taxes. She goes to www.dornc.com, clicks on "Authenticated User." When she sees "Welcome, Ms. Sanchez. What would you like to do today?" she types: "file individual income tax as a new resident." The homepage of the NC Individual Income Portal appears with "New Resident" highlighted. She clicks and opts to view a flash-overview of NC Individual Income taxes. She learns that once she e-files her Federal Income Tax, she can download her data and file her NC return free of charge electronically.

The last flash, gives her a link for "Partial-Year Residents." She clicks on the link and learns that when she is ready to file her state taxes, she can use a "Guided-Tour e-Worksheet" that will help her know what portion of her income will be taxed in NC. She also learns that some states, including Arizona, participate in a partnership with NC allowing partial-year residents to file electronically in multiple states at one time.

Scene VII: NC Individual Income Refund. It's March 15, 2008. Luisa is happy. She is engaged to be married in July and has just completed her state taxes. She can't believe how easy it was, and she has a \$115 refund due from NC. One last prompt: "Do you want to use any of your refund to pay estimated taxes for 2008?" She thinks about the new book she has coming out and the readings she hopes to schedule. Yes, I will need to pay NC Estimated Income Tax in 2008, she thinks. After entering the full amount of the refund on the estimated tax credit-forward line, she gets another prompt: "Do you want to complete a State Estimated Individual Income Tax Worksheet?" She's about to click on the link but then thinks about the change in her marital status. Luisa has some questions about paying estimated taxes as a single taxpayer then filing a joint return next year at this time. She deletes the refund amount from the estimated tax line and opts instead to have her refund deposited directly into her checking account. She plans to contact someone about her tax question when she has more time. She goes to her e-mail to save her filing and refund confirmations before shutting down.

Scene VIII: Live Tax Assistance for Estimated Payments. It's April 10, 2008. Luisa has to make some decisions about paying Estimated Income Tax. She is about to pick up the phone to call about her mid-year change in filing status but remembers that she has seen an icon for "Live Tax Assistance" on the NC DOR website. She decides to go there first. She enters her user name and password to authenticate then clicks on the "Live Tax Assistance" icon.

A typed message appears: "Hello, Ms. Sanchez. This is Carolyn from the North Carolina Department of Revenue. How can I help you today?"

Luisa types: "getting married in july. need to pay estimated taxes. should i pay as a single taxpayer even though next year at this time i will be filing a joint return with husband?"



The typed response reads: “Yes, you should start filing and paying estimated taxes as a single taxpayer. Is your husband a current NC taxpayer?”

Luisa types: “no, he’s in az now, will move here in july.”

Carolyn responds: “As an authenticated user, you can change your marital status for your Individual Income account in July and transfer any estimated payments applied to your single account to a joint account under your husband’s name. Your husband can go through the authentication process at that time so you will both be authenticated users of one joint account. You can request and receive self-help instructions for making this change if you need assistance in July. Unless you have other questions for me, I will direct you to the e-Worksheet for Estimated Individual Income Tax.”

Luisa types: “no other questions, thank you.”

“You’re welcome. Goodbye.”

Luisa completes the Estimated Tax e-Worksheet, sees her Estimated Payment Voucher lines have been populated for her, clicks “Bank Draft” to submit her first payment, selects her bank routing information from a prompt, and clicks “Request e-mail confirmation of this payment and e-notification when your next estimated payment is due.”

She exits, hoping it will be this easy to pay her Federal Estimated Income Tax.

DOR Employee Scenario

Scene I: Tax Law Question. It’s June 2009. Ed, a 2nd-level e-assistance employee, is addressing a tax law question related to a proposed assessment. The taxpayer, an ECU student, received an e-notice for tax due on unclaimed wages from “Nogales Fruit Distribution.” The taxpayer clicked on the “More Information” link in the e-mail and read: “A cross match of Withholding and W-2 records indicates you did not claim some W-2 earnings. To pay this bill, click here.” Instead, he chose to click on the “Tax Law Live Assistance” link.

As Ed takes the web-call, he is looking at a pop-up screen with the taxpayer’s identification information. The “Recent Activity” section of the screen shows the proposed notice. Ed’s “pick-up recording” greets the taxpayer: “Hello, this is Ed from the North Carolina Department of Revenue. How may I help you today.”

Ed hears: “I received a notice for unclaimed W-2 earnings, but the earnings were not from a company in the US. Do I have to pay tax on what I’ve earned from Mexico?”

He responds: “You earned these wages while working in North Carolina as an employee of Nogales Fruit Distribution, is that correct?”

“Yes, sir, but my employer is in Mexico.”

“North Carolina law makes all wages earned for work in the state taxable. If you would like to e-pay your tax bill now, I can process a credit, debit card, or bank draft payment for you or you can follow the web prompts to submit payment.”

“Okay. I guess you got me. I’ll have to pay now or later. Let me give you my debit card number.”

When Ed completes the transaction. He goes to “Automate Response,” types in the taxpayer’s question and his response, and sends the entry to the W-2 Notice Customer Relation Management (CRM) rep to consider as an addition to the Notice FAQ’s.

Scene II: e-Payment Plan. Ed takes another web-call on the proposed assessment line. His screen shows the taxpayer was just blocked from establishing a 6-month payment plan. After asking a couple of questions and checking the taxpayer’s account activity records, Ed realizes she qualifies for a 3-month payment plan. After trying to collect the bill in full, Ed, with the taxpayer’s permission, sets up an automated 3-month recurring bank draft. All penalties and interest to date are calculated for him, and he runs the penalties through an automated penalty-waiver system, which indicates that the taxpayer does not qualify for a penalty waiver.

When Ed completes the payment plan transaction, he goes to his desktop Instant Messaging tool and initiates a Chat Room with the Payment Plan Subgroup. He quickly types: “t/p does not qualify for a 6-month payment plan but does qualify for 3-month plan. why not offer 3-month plan online as an alternative since we’re going to offer it when t/p asks for assistance?”

He sees two “agrees” and one “how many would pay in full when blocked?”

The CRM rep on the Chat Line responds: “Do you want to track this for a couple of weeks?”

All three employees agree. The CRM rep takes the assignment to track the e-activity of those who are blocked to see how many pay in full and how many receive a final e-bill with the understanding that if most receive a final bill, the new automated response for the web, IVR, and live agents will be to check if the taxpayer qualifies for a 3-month payment plan and if so, offer it. With this automation, taxpayers can complete the transaction online without calling, and those who do require personal assistance will be routed to a level 1 rather than a level 2 agent.

Scene III: Online Training. It’s October 2009. Ed, as you may have guessed is a teleworker. Two weeks ago, he had e-registered for the DOR annual Online Tax Law Seminar for Individual Income employees. He signs on as usual from his home office,

using a high-speed secure connection, and sees a pop-up reminding him of the seminar. He proceeds to an Interactive Training screen. He takes e-notes that are saved to his personal e-notebook, asks questions, and gets real-time responses that are also saved to his e-notebook.

Scene IV: Applying for a Revenue Job. After completing the seminar, Ed decides to pursue the job he saw advertised the day before on the Department's Intranet. He goes to the Human Resource Portal and clicks on "Job Application." Entering his social security number populates the form with his personal information. He sees that his new cell-phone number is not listed so adds it and clicks "Save to permanent record," which populates not only his HR file but also the Living Disaster Recovery Planning System (LDRPS) database. He then proceeds to complete the application for a Level 3 e-Assistance position. To fill in his employment record, he clicks on "Download from current HR file." To fill in the "Education and Training" section, he clicks on "Download from current HR file." When finished, he clicks "e-Signature. Send." A pop-up indicating a new e-mail message comes on the screen. He checks his e-mail and sees an automated acknowledgement of his application.

Scene V: Timesheet and Expense Report. Before signing off, Ed gets a pop-up message reminding him to submit his time and expense reports. He opens his e-expense report, reviews the entries, adds the broadband bill he has just paid, and clicks "e-Signature. Send" to submit the report electronically to Payroll. He has his e-time report set to "automatic," so the time he is working online is entered automatically on his report. He reviews the entries, and clicks "e-Signature. Send" to submit the report electronically to Payroll.